

Chairman's Statement
Sen. Tom Coburn, M.D. (R-OK)
An Assessment of the President's Management Agenda
April 21, 2005

This year, the federal government is expected to spend roughly \$2.5 trillion dollars, making our federal budget larger than the economies of Canada, Mexico, and Australia combined. Put another way, Washington will spend more than \$22,000 per American household this year. Regardless of one's politics, that is *a lot* of money. The American public has entrusted both Congress and the President with ensuring that taxpayer dollars are spent wisely.

Therefore, this Subcommittee has convened this hearing today to discuss current efforts by the Administration to strengthen the management and accountability of federal programs. The Subcommittee's Ranking Member, Senator Carper, and I, have long had an interest in ensuring that taxpayer dollars are spent effectively. While Congress has the responsibility to appropriate the funds necessary to operate the government, the executive branch is charged with implementing the will of Congress and managing the day-to-day activities of myriad federal programs.

Since assuming office in January 2001, President Bush has sought to make the federal government more effective by setting clear goals, bringing reform to entitlement programs, and focusing federal resources on programs that are effective. In 2001, the Office of Management and Budget (OMB) launched the President's Management Agenda, referred to as the PMA. The PMA contains a multi-part strategy to strengthen the management of federal programs and activities and improve Government accountability.

The PMA is the latest in a series of initiatives over the past 40 years designed to improve the performance and accountability of federal agencies. Beginning with President Johnson's "Planning, Programming, and Budgeting System" in 1966, each successive initiative has been built on the foundations of its predecessors. President Nixon introduced his "Management by Objective" that aimed to expose redundant or ineffective programs by identifying goals and expected results for federal programs. Later, President Carter introduced the zero-based budgeting concept in 1977 that forced each program to prove its value on an annual basis.

The Government Performance and Results Act of 1993 – referred to as GPRA (*pronounced: gip-rah*) or G.P.R.A – is the most recent legislative effort regarding budget and performance integration. GPRA directed federal agencies to improve management, clarify program responsibilities, and account for program performance through strategic and annual performance plans. The Program Assessment Rating Tool – referred to as PART – which is an integral component of the PMA, builds on GPRA and seeks to better align budgetary decisions with program performance.

As we will hear from our witnesses, the PMA consists of five government-wide initiatives: strategic management of human capital, competitive sourcing, improved financial performance, e-government, and budget and performance integration. Each of

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these initiatives has been developed to streamline federal programs, to improve the availability and use of important information regarding programmatic and budgetary decisions, and to help the federal government meet future challenges.

Through today's assessment of the PMA, we hope to discuss such questions as: In what areas has the PMA been most successful, and in what areas can it be made more effective? What lessons have been learned and how have those lessons been applied?

We are pleased to have with us representatives from the Office of Management and Budget and the Government Accountability Office (GAO), who will offer their assessments regarding how Congress and OMB can better work together to manage this country's finances.

On our first panel, the Honorable Clay Johnson, III, the Deputy Director for Management at the Office of Management and Budget, will provide us with OMB's perspective on the PMA to date. I particularly look forward to hearing from Mr. Johnson regarding the budget and performance integration initiative and the PART process. This initiative aims to link program performance with the annual budget process. I am interested to hear more regarding how the federal government is matching money spent on hundreds of programs with these programs' results? Can we achieve the desired results more efficiently and at lower cost to taxpayers?

We are also privileged to have the Honorable David Walker, Comptroller General of the Government Accountability Office, with us today. He will also shed some light on the effectiveness of the PMA and the interaction between the PMA's PART process and GPRA. I look forward to discussing with Mr. Walker ways in which the executive and legislative branches can better work together to ensure that taxpayer dollars are being spent wisely.